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### 2005 Special Session Legislative Summary

As a result of the 2005 special session, schools will receive additional funding for FY 2007 from several new funding components, some of which will expand the district general fund and some of which will be deposited as grants in the district miscellaneous programs fund. The legislation that enacted these changes is [SB 1](#) and [HB 1](#).

#### NEW GENERAL FUND MONIES

The new general fund monies will be distributed on the same schedule as direct state aid.

##### Quality Educator Payment

Each district and special education cooperative will receive a \$2000 payment in FY 2007 for each full-time equivalent licensed educator and for other licensed professionals employed by the school district, including registered nurses, licensed practical nurses, physical therapists, speech language professionals, counselors, occupational therapists, and nutritionists. The source of the data for the count of full-time equivalent staff is the Annual Data Collection (October 2005).

The total quality educator payment is funded by the state and is included in the BASE portion of the district general fund budget. There is no over-BASE portion of the quality educator payment.

##### At-Risk Payment

The legislature appropriated \$5 million for FY 2007 for distribution to public schools to address the needs of at-risk students. The money is to be distributed in the same manner as Title I monies are distributed to schools. OPI will base the distribution of these state funds in FY 2007 on the Title I distribution for the 2005-2006 school year.

The at-risk payment is funded by the state and is included in the BASE portion of the district general fund budget. There is no over-BASE portion of the at-risk payment.

The definition of an at-risk student in 20-1-101, MCA is "a student who is affected by environmental conditions that negatively impact a student's educational performance or threaten a student's likelihood of promotion or graduation."

*"It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve."*

**Indian Education for All Payment**

Each district will receive an Indian Education for All payment to implement the provisions of the Montana constitution (Article X, section 1(2)) and the statutory requirements for the recognition of American Indian cultural heritage (20-1-501, MCA). The Indian Education for All payment is the greater of \$100 for each district or \$20.40 per ANB.

The Indian Education for All payment is funded by the state and is included in the BASE portion of the district general fund budget. There is no over-BASE portion of the Indian Education for All payment.

**American Indian Achievement Gap Payment**

A school district will receive a payment of \$200 for each American Indian student enrolled in the district. The payment for FY 2007 will be based on the count of American Indian students reported by the district to the Office of Public Instruction through the Annual Data Collection in October 2005.

The American Indian Achievement Gap payment is funded by the state and is included in the BASE portion of the district general fund budget. There is no over-BASE portion of American Indian Achievement Gap payment.

**TRANSPORTATION FUND**

The legislature raised the reimbursement rate for individual transportation contracts from 25 cents per mile to 35 cents per mile effective July 1, 2006. This increase will affect both individual transportation contracts and the transportation charges associated with out-of-district attendance agreements.

The state and county transportation reimbursement for an individual transportation contract may not exceed \$12.95 for each day of attendance for the first eligible transportee in a household and \$8.40 for each day of attendance for each additional eligible transportee. The per diem for room and board is \$12.95 for one eligible transportee and \$8.40 for each additional eligible transportee of the same household.

These new rates will take effect for students enrolled in the 2006-07 school year.

**MISCELLANEOUS PROGRAMS FUND****Energy Cost Relief (One-time only)**

The legislature appropriated \$2 million for FY 2006 for distribution to public schools for energy cost relief to be used for utilities or transportation only. The total ANB count for FY 2006 is 148,899. Therefore, the distribution of the \$2 million will be \$13.43 per-ANB. OPI expects to distribute this payment with the January 25<sup>th</sup> payment of direct state aid.

**Indian Education for All Payment (One-time only)**

The legislature appropriated \$7 million for distribution to school districts in FY 2007 for Indian Education for All. These Indian Education for All monies will be distributed on a per-ANB basis and must be deposited in the miscellaneous programs fund. There is no time limit on the expenditure of the funds.

**Weatherization and Deferred Maintenance (One-time only)**

The legislature appropriated \$23 million for distribution to public schools in FY 2007 to pay for the costs of weatherization or deferred maintenance. The weatherization and deferred maintenance grants total \$1000 for each district plus \$153 per ANB. The district must deposit the monies in the miscellaneous programs fund and may retain the money for a maximum of three years. After 3 years, any unexpended balance must be reverted to the state general fund. A district may use this grant money as a match for any other local, state, or federal money.

**STATE LEVEL APPROPRIATIONS****Facility Condition Inventory**

The legislature appropriated \$2.5 million to the Department of Administration to be used through June 30, 2009 to pay for the costs of completing an energy audit and conditions and needs assessment of K-12 public school facilities. It is likely that the Department of Administration will contract with a vendor for the completion of this task.

**Retirement systems**

The legislature appropriated \$100 million to the teachers' retirement system pension trust fund and \$25 million to the public employees' retirement system pension trust fund to help offset the \$1.4 billion imbalance in the trust funds.

**GENERAL FUND BUDGET WORKSHEET AVAILABLE IN JANUARY**

OPI School Finance staff are preparing a general fund budget worksheet for school personnel to use in preparing general fund budget scenarios for FY 2007. The spreadsheet will be similar to the spreadsheets that OPI has made available in the past and should be available by mid-January.